United Nations A/C.2/62/SR.14

General Assembly
Sixty-second session

Official Records

Distr.: General
9 November 2007

Original: English

## Second Committee

**Summary record of the 14th meeting**
Held at Headquarters, New York, on Friday, 26 October 2007, at 10 a.m.

*Chairperson*: Mr. Le Roux (Vice-Chairperson) ..... (South Africa)

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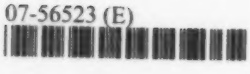

*In the absence of Ms. Lintonen (Finland), Mr. Le Roux (South Africa), Vice-Chairperson, took the Chair.*

*The meeting was called to order at 10.10 a.m.*

**Agenda item 59: Operational activities for development** (*continued*) (A/C.2/62/L.6)

1. **Ms. de Laurentis** (Secretary of the Committee) drew attention to a note by the Secretariat containing proposed amendments to the General Regulations of the World Food Programme (A/C.2/62/L.6), which would be before the Committee for approval under agenda item 59. At its substantive session in July, the Economic and Social Council had decided to endorse the proposed amendments and had recommended them for approval by the General Assembly.

**(b) Triennial comprehensive policy review of operational activities for development of the United Nations system** (*continued*) (A/C.2/62/L.4)

*Draft resolution on the triennial comprehensive policy review of operational activities for development of the United Nations system*

2. **Mr. Khan** (Pakistan) introduced draft resolution A/C.2/62/L.4 on behalf of the Group of 77 and China. The Group attached great importance to the triennial review exercise, which would determine the course of the Organization's operational activities for the next three years and guide two processes with a direct bearing on those activities: the ongoing work with regard to the Secretary-General's High-level Panel on System-wide Coherence and the deliberations relating to the United Nations Development Programme (UNDP) strategic plan.

**(c) South-South cooperation for development** (*continued*) (A/C.2/62/L.3)

*Draft resolution on South-South cooperation*

3. **Mr. Khan** (Pakistan) introduced draft resolution A/C.2/62/L.3 on behalf of the Group of 77 and China.

**Agenda item 52: Macroeconomic policy questions** (*continued*)

**(a) International trade and development** (*continued*) (A/62/15 (part I and Corr.1 and Corr.2, part II and Corr.1, part III and Corr.1, and part IV), A/62/71-E/2007/46, A/62/210 and A/62/266

4. **Mr. Valenzuela** (European Community), speaking on behalf of the European Union; the candidate countries the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, and Montenegro; and, in addition, Armenia, Georgia, Moldova and Ukraine, said that trade was needed to foster economic growth and generate resources to fight poverty. While trade alone could not solve development problems, openness to trade and support for supply capacity were important elements of any coherent development strategy. Countries must have sufficient access to export markets, and exported goods and services must be able to compete with local products or products imported from other countries. To that end, developing country trade policy must encourage competitiveness and ensure inputs for industries at competitive prices. The role of trade in development was, therefore, dependent on the trade and aid policies of both developed and developing countries. All States had a shared interest in concluding a global deal on trade that reinforced openness on a multilateral basis through the application of strengthened trade rules. As stated in the Secretary-General's report on international trade and development (A/62/266), a balanced, equitable and development-oriented outcome could improve the prospects for economic growth and development, and contribute to achieving the Millennium Development Goals.

5. The European Union hoped that the outcome of the Committee's deliberations on trade and development would convey a message of unity with regard to the goal of a successful and rapid pro-development conclusion of the Doha Development Round. Developing and developed countries alike stood to benefit from the goods and services trade deal currently under negotiation, which was worth over $200 billion a year. A successful conclusion of the Doha Round would make current levels of openness largely irreversible. If the Doha Round failed, however, the credibility of the World Trade Organization (WTO) would be badly damaged, particularly in the developing world. The cost of failure would fall disproportionately on smaller and weaker developing countries, particularly the least developed countries.

6. Contrary to what many people thought, the Doha negotiations had been moving forward and a deal had almost been reached on key issues. In the coming weeks, a compromise should emerge that could satisfy

the world community. The current opportunity was the last chance for WTO members to agree on the modalities of a deal on the basis of the proposals issued by the respective Chairmen of the negotiating groups on agriculture and non-agricultural market access. That momentum must now be used to achieve satisfactory outcomes on the other issues on the agenda. In producing their proposals, the Chairmen had put pressure on key players in the area of the so-called "negotiating triangle" — agricultural market access, non-agricultural market access and domestic subsidies — who must now demonstrate a spirit of compromise and constructiveness, and a genuine will to commit to an ambitious, comprehensive and balanced agreement. The Chairmen's texts must be accepted by all WTO members as a basis for negotiations. A further round of discussions would be needed if a deal was to be reached by the end of the year. Whether or not that happened depended entirely on the negotiating engagement and flexibility of members.

7. The European Union had made every effort to maintain the momentum, including by demonstrating genuine flexibility on agricultural market access. Other key players must now make an appropriate contribution too. The United States needed to accept more specificity on its domestic subsidies in agriculture, including cotton, and the major emerging economies should provide real new market access by cutting their tariffs on industrial products in a reasonable and proportionate way and by advancing proper negotiations on agricultural special products and access to the farm markets of developing countries. Already very competitive emerging economies must contribute to the expansion of trade flows resulting from the current Round. They were the growth markets of the future and should therefore bolster confidence in the negotiations by making it clear that they were ready to engage on the basis of the Chairmen's negotiating texts.

8. If those texts were replaced by new proposals, there would be a sharp reduction in new opportunities for developing countries to trade and the already limited progressive liberalization contained in them would be further diluted. Currently, only about 28 WTO developing country members would have to apply a tariff-cutting formula. Other developing country members were unaffected because of their least developed country or small and vulnerable economy status or because they were exempt under the provisions of paragraph 6 of annex B of the July package adopted by WTO in August 2004.

9. The Doha Round must deliver on its development promise. Even though the Chairmen's texts did not take the development dimension into account, the European Union would watch carefully to ensure that such issues as aid for trade, duty- and quota-free access, and measures against preference erosion were adequately taken into account. WTO members, with the European Union in the lead, were working to raise the quantity and quality of aid for trade available to developing countries. The European Union had just adopted the European Union Strategy on Aid for Trade, which was aimed at enabling all developing countries, especially the least developed countries, to better integrate into the world trade system and to use trade more effectively in the eradication of poverty. The Strategy aimed to increase the European Union's trade-related assistance to €2 billion a year from 2010. The European Commission had already met its €1 billion a year target; the remaining 50 per cent would come from European Union member States. In addition, the European Union was providing considerable assistance for broader aid for trade objectives, such as supply-side capacity-building and trade-related infrastructure.

10. A failure to reach agreement on modalities by the end of the year would make an early conclusion of the Doha Round extremely unlikely. In a context of global turbulence, such a negative signal might have amplified repercussions. The international community needed instead to boost investors' confidence, lock in the current level of openness in the global economy, and guard against future recession and protectionism. One way to do that was to conclude a deal now. The European Union would redouble its efforts in that regard and asked its partners to do the same.

11. **Mr. Forshaw** (Australia), speaking on behalf of the Cairns Group, said that a pivotal moment had been reached in the Doha Round for agriculture. Intensive work was under way in Geneva and all members, particularly those with most agricultural support and protection, needed to demonstrate maximum flexibility. An undistorted, smoothly functioning global trading system was key to lifting millions of people out of poverty. Yet, for decades, restrictive market access barriers and high subsidies had compromised the ability of unsubsidized farmers to participate in global agricultural trade. Failure to conclude the Doha Round

would be a major blow for development, agricultural trade reform and the multilateral trading system. The Cairns Group therefore remained committed to securing an ambitious and balanced outcome to the negotiations.

12. There were vital issues to resolve in each pillar of the negotiations. On domestic support, the three largest subsidizers — the European Communities, the United States and Japan — must significantly reduce their trade-distorting domestic support. On export competition, the Round must be concluded in order to lock in agreement on eliminating export subsidies. The Cairns Group would continue to seek effective disciplines on such other export mechanisms as export credits and the disposal of surplus commodities in the guise of food aid. On market access, there was an urgent need to agree on approaches to tariffs that would break down the barriers that had long hampered the full development of agricultural trade. Moreover, the circumstances of developing countries needed to be recognized through appropriate special and differential treatment. By translating that principle into practical provisions consistent with the overall reform agenda, WTO would be able to continue to support developing countries' economic development needs.

13. Trade-distorting support, export subsidies and market access barriers blocked the potential contribution of agricultural trade to economic development and therefore contributed directly to the continued impoverishment of developing countries. There could be no successful outcome to the Doha Round without a substantial package of agricultural reforms.

14. **Mr. Natalegawa** (Indonesia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), which associated itself with the statement made on behalf of the Group of 77 and China, said that the present prevalence of global poverty was unacceptable, particularly given the unprecedented level of total wealth in the world. An open, non-discriminatory, rules-based international trading system focused on development would enable millions of people to escape poverty and enjoy a better quality of life. It was regrettable that such a system had still not been realized. Developing countries had asked for nothing new, only that WTO negotiations were kept in line with the Doha Development Agenda, the July 2004 framework agreement and the 2005 Hong Kong Ministerial Declaration. If the Doha Round was to be concluded by the end of the year, the multilateral negotiations initiated in September needed to move faster. In that connection, ASEAN supported the efforts of the Chairmen of the negotiating groups on agriculture and non-agricultural market access and of the WTO Director-General in building consensus on an ambitious and balanced outcome in the months ahead.

15. ASEAN was committed to concluding the Doha Round as soon as possible and, as a group of developing countries with open economies, attached great importance to the Doha negotiations. Strengthening the multilateral trading system was critical for the economic growth and development of its members. ASEAN reiterated its support for the WTO membership bid of the Lao People's Democratic Republic, which, as a landlocked least developed country, must be further assisted in upgrading its trade competitiveness, including by developing efficient transit transport systems and simplifying customs procedures.

16. A successful Round would benefit developing countries and the least developed countries by ensuring market access through reductions in tariffs, trade-distorting domestic subsidies and trade barriers. WTO members must make progress on those issues and also be prepared to review and make necessary adjustments to their positions. Furthermore, the principle of special and differential treatment should be recognized and translated into practical provisions. At such a pivotal moment in negotiations, members must resist the temptation to blame others and focus instead on breaking the deadlock.

17. It was also critical to build national capacities for trade. The United Nations development system, in particular the United Nations Conference on Trade and Development (UNCTAD), played a critical role in that regard. ASEAN acknowledged the valuable work of UNCTAD and encouraged it to lead the way in championing the needs of the developing world. ASEAN members hoped to play a constructive role in UNCTAD XII, to be held in Ghana in 2008.

18. ASEAN was fully committed to the multilateral trading system. However, there were additional possibilities for improving growth regionally. Despite natural disasters, high oil prices and the persistent threat of avian influenza in some parts of the region, ASEAN economies had grown on average by 6 per cent in 2006. ASEAN had accounted for over 8 per

cent of Asia's total GDP in recent years and had generated approximately 22 per cent of its total exports. With Asia's GDP growth poised to reach 8.1 per cent in 2007 and 7.9 per cent in 2008, ASEAN was aiming even higher in its efforts to achieve the internationally agreed development goals by 2015.

19. ASEAN members were working together to establish the ASEAN Economic Community by 2015 and to strengthen ASEAN cooperation on trade. A key area of cooperation was the ASEAN Free Trade Area (AFTA) agreement's Common Effective Preferential Tariff (CEPT) scheme, which aimed to reduce tariffs and erase all non-tariff barriers for manufactured, agricultural and other non-agricultural products. The scheme had been in place since 1993. Currently, 98 per cent of all ASEAN products and 97 per cent of its least developed members' products were on the CEPT-AFTA inclusion list. The process had helped ASEAN sustain a positive trend for its trade performance.

20. International trade must continue to be a powerful engine for growth. The Doha Round needed to be concluded successfully and the development aspirations of developing countries integrated into the multilateral trading system, the credibility of which would otherwise be undermined.

21. **Mr. Hossain** (Bangladesh), speaking on behalf of the least developed countries, said that international trade could expand markets, raise productivity and increase exposure to new technologies, driving growth and development. However, none of that came automatically. The Programme of Action for the Least Developed Countries for the Decade 2001-2010 outlined the importance of international trade in generating resources for growth and development in the least developed countries and identified areas where such countries needed international assistance in building their trade capacity. Regrettably, very little assistance had been received thus far.

22. According to the Secretary-General's report (A/62/266, para. 3), world merchandise exports had increased by 14.8 per cent in 2006. However, despite significant efforts, the least developed countries had not gained from trade. While it might be statistically correct that their share in world merchandise trade had risen from 0.79 to 0.83 per cent, a deeper analysis would reveal that much of that increase had been due to oil exports. Exports in non-oil goods had increased significantly in volume but only somewhat in value. The 50 least developed countries' export share had reached 2.5 per cent in 1960, after which it had continued to fall until 1995. Even though there had been some improvement since then, they were still a long way from regaining the share they had enjoyed in 1960.

23. Least developed country exporters faced increasing competition. Despite adopting sound macroeconomic policies and relatively open trade regimes, many low-income countries had been marginalized in the world economy. As noted in the Secretary-General's report (A/62/266, para. 15), the least developed countries had faced particular developmental challenges from liberalization. Many had seen a decreasing share in world trade and income, and an increasing incidence of extreme poverty. If the current trend continued, the number of people living in extreme poverty would continue to increase. To reverse that trend, the least developed countries must be better integrated into the world economy.

24. The current trading system was biased against the least developed countries, owing, inter alia, to harmful subsidies, tariff escalation schemes, non-tariff restrictions, fluctuating terms of trade, and artificial standards imposed by industrialized countries. Those trends must be reversed. Developed countries should provide duty- and quota-free market access for all least developed country products, without any restrictions.

25. South-South trade had significantly increased in recent years. However, the least developed countries — already marginalized in North-South trade — were increasingly marginalized in South-South trade too. While the share of least developed country imports originating in other developing countries had increased, the share of developing country imports originating in the least developed countries had decreased. To counteract such imbalances, more industrialized developing countries needed to open their markets to least developed country exports. He welcomed the initiatives taken by some developing countries in that regard and encouraged others to do the same. South-South trade could be further stimulated by the third round of negotiations of the Global System of Trade Preferences. He called for an early conclusion of those negotiations and encouraged all developing countries to join the initiative.

26. Agriculture was critically important for many least developed countries, contributing significantly to

national income, employment and rural development. Regrettably, the sector continued to be the most distorted, with high border protection and subsidies, and the price of agricultural products on the international market was generally low and volatile. Unless such issues were addressed, a number of least developed countries would be unable to achieve the internationally agreed development goals.

27. The services sector had huge potential. As noted in the Secretary-General's report (A/62/266, para. 3), world services exports had grown by 9.7 per cent in 2006. However, while the share of developing countries had increased from 23.8 to 24.5 per cent, the share of least developed countries had remained unchanged at 0.46 per cent. That was even lower than their share of trade in goods. The categories of service provider for which the least developed countries enjoyed a comparative advantage were subject to a variety of restrictions on access to other countries. That issue deserved immediate attention.

28. Multilateral negotiations at WTO offered a framework for addressing movement of labour under mode 4 of the General Agreement on Trade in Services (GATS). However, little progress had been achieved thus far. A successful conclusion of the Doha Round would require a concrete outcome in services negotiations with special treatment for the least developed countries. He called on developed countries to liberalize their markets for all categories of service providers from the least developed countries, in particular under mode 4 of GATS.

29. Capacity-building was critically important. The least developed countries required considerable investment in order to build infrastructure, develop productive capacity and create a productive environment. Domestically mobilized resources could not meet their growing needs. They also faced huge adjustment costs, owing to preference erosion, loss of tariff revenue, loss of employment and the expiry of the Agreement on Textiles and Clothing. The Aid for Trade Initiative should help the least developed countries build trade capacity. They should also be fully compensated for the erosion of preferences.

30. The current international intellectual property rights regime posed a major challenge to least developed country access to knowledge, technological learning and innovation. It mostly favoured the producers and holders of intellectual property rights, most of whom were found in developed countries, and therefore further widened the knowledge asymmetry between the least developed countries and other countries. To benefit from modern technologies, the least developed countries needed full flexibility under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). The international community should consider further waivers, and new and realistic deadlines for compliance with that Agreement. He called for a regime that helped the least developed countries achieve their development goals.

31. A considerable number of least developed countries faced difficult challenges during the WTO accession process. Accession negotiations often led to stringent liberalization and reform commitments that were disproportionate to their level of development. He called on WTO members to seek from those least developed countries wishing to join WTO only commitments that were commensurate with their level of development, as established in the Programme of Action for the Least Developed Countries for the Decade 2001-2010.

32. Lastly, while the resumption of the Doha Round negotiations was encouraging, they needed to move faster if they were to conclude on time. The support of the international political leadership was crucial in that regard. He called on the international community to conclude those negotiations as early as possible. The special needs and interests of the least developed countries must be placed at the heart of the Doha Round and its final outcome.

33. **Mr. Ehouzou** (Benin), speaking on behalf of the African Group, said that many African countries still did not have the basic infrastructure needed to take advantage of the opportunities provided by market access and suffered from a limited capacity to produce and supply goods for trade. Africa represented about 13 per cent of the global population but accounted for only 3 per cent of international trade. Given the phenomenal increase in goods and services around the world, an increase in Africa's share of trade would represent a significant increase in revenue. Despite the remarkable progress over the past three years thanks to regional and bilateral programmes and initiatives, several African countries were still facing a multitude of domestic and external challenges, particularly due to inadequate national infrastructure and an unfavourable international trade environment.

34. Building productive capacities and investing in infrastructure were therefore essential for trade, economic development, poverty reduction and the timely realization of the Millennium Development Goals in Africa. Technical assistance was also necessary to help African countries to integrate trade into their development and poverty reduction strategies and to establish partnerships between the private and public sectors. Moreover, African countries primarily needed a final agreement on the Doha Round to include such key areas as agriculture, market access for agricultural and non-agricultural products, services and trade facilitation. A clear and adequate response would be needed to essential capacity-building issues as well as progress on the elimination of barriers in the agricultural sector. Market access was by far the greatest asset for achieving the Millennium Development Goals in Africa.

35. In the context of the current Doha Round, well-structured and managed aid for trade could be an important means of bringing development to African countries. However, aid for trade was no substitute for a successful outcome to the Doha Round. The funds allocated to aid for trade therefore must not jeopardize traditional development assistance, such as ODA. They must be additional, predictable and sustainable resources.

36. Ownership of the aid for trade initiative by African countries was essential in order to incorporate their specific needs. Africa must therefore be given a prominent place in the decision-making and implementation process for that mechanism at the national and regional levels. African programmes and institutions, such as the New Partnership for Africa's Development (NEPAD), the Economic Commission for Africa, the African Development Bank and the African Union, should also be involved in that process. In that connection, he welcomed the conference on "Mobilizing Aid for Trade: Focus on Africa", held on 2 and 3 October 2007 in Dar es Salaam. Donor countries and international financial institutions should continue their efforts to provide more and better aid for trade to Africa. Donor countries should make use of effective distribution systems which allowed the rapid deployment of funds so as to reduce red tape.

37. The final agreement on the Doha Round must take the following African concerns into account and address them appropriately: the elimination of unfair and disruptive agricultural subsidies in rich countries; preference erosion and implementation costs associated with trade agreements; duty-free and quota-free market access for the least developed countries; the issue of cotton; non-agricultural market access; technical assistance and capacity-building; aid for trade; and special and differential treatment.

38. **Mr. Nguyen Tat Thanh** (Viet Nam) said that the United Nations should play a more proactive and important role in global trade issues, particularly by providing the much-needed political impetus to guide the Doha Round to a successful conclusion. A fair and balanced outcome of the Doha Round could yield significant results by helping developing countries to achieve their development goals and to reduce poverty. However, for the benefits of trade to be shared in a more equitable manner, the developed countries must resist protectionist pressures and take action before it was too late.

39. Viet Nam had engaged in significant trade and investment liberalization over the previous 20 years, which should be fully supported by all countries and seriously taken into consideration in regional and multilateral trade negotiations. The recent accession of Viet Nam to WTO had given a welcome boost to its trade relations with the rest of the world and bilateral trade was expected to increase by 20 per cent in 2007. Economic growth, expected to reach a record high of 8.5 per cent in 2007, had been widely shared among the population and the poverty rate was expected to fall to 14 per cent within five years. If current trends continued, Viet Nam would graduate from its current status as a low-income developing country by the end of 2008.

40. Viet Nam was committed to transforming ASEAN into a region with free movement of goods, services and investment by 2015. ASEAN was also looking forward to completing its free-trade negotiations with Japan shortly. Similar agreements with the European Union, Australia, New Zealand and other countries were also within reach. At the same time, Viet Nam attached the utmost importance to South-South cooperation and to collaborating with various specialized agencies of the United Nations and other organizations.

41. **Ms. Zvereva** (Russian Federation) said that the report of the Trade and Development Board (A/62/15) showed the increasing importance of developing countries in international trade. Since international

trade was a dynamic force for economic growth and poverty reduction, her delegation advocated the steady liberalization of global trade which, as far as possible, should take into account the specific socio-economic and political conditions of individual countries and regions.

42. The Russian Federation was helping to realize the potential of international trade as an instrument for development by lowering import duties and applying a special preferential regime to imports from the vast majority of developing countries. With respect to goods from the least developed countries, no quantitative restrictions on imports were applied and no anti-dumping, countervailing or protective measures had been introduced.

43. Her delegation supported the objectives of the Doha Round and believed that it was necessary to give political impetus to those negotiations in order to bring them to a swift conclusion. The Russian Federation was currently participating in the Doha Round as an observer and many of the issues under consideration directly concerned its present and long-term interests. Active participation in multilateral trade negotiations was one of the main objectives of the Russian Federation. Once it had become a fully fledged member of WTO, the Russian Federation would be prepared to make a constructive contribution to resolving the current problems facing the world trade system, including through the development of balanced rules that could help to eliminate imbalances in world trade. However, his country would accede to WTO only on terms that were acceptable to the Russian Federation and to producers in the various sectors of the Russian economy.

44. **Mr. Ngor** (Sudan) said that the speedy conclusion of the Doha Round and the implementation of its development dimensions was of critical importance for developing countries, particularly the least developed countries. Developed countries must demonstrate sufficient flexibility in those negotiations to preserve the stability, reliability and credibility of the multilateral trading system.

45. The Sudan strongly appealed to WTO members to facilitate its accession to that body. Since agriculture was a major economic sector, the Government was focusing on policies that addressed, inter alia, land reforms, free market policies, removal of trade barriers to agricultural products, privatization and alleviation of the tax burden on agriculture. However, the Sudan would require the support of the international community to complement its national reconstruction and developmental activities, particularly through efforts to facilitate accession of the Sudan to WTO. Moreover, in order to benefit from the open global economy, the Sudan needed not only lower tariffs and improved market access but also enhanced supply capacities.

46. The imposition of unilateral economic sanctions on the Sudan since 1997 was a flagrant violation of the principles of international law and free trade enshrined in the Charter of the United Nations. The General Assembly had repeatedly condemned such coercive measures and had consistently urged the international community to take urgent and effective action to eliminate their use. His delegation therefore called on the international community to uphold the principles enshrined in the Charter.

47. **Mr. Murakami** (Japan) said that a successful and early conclusion of the Doha Round was more important than ever. Developing countries must be integrated in the multilateral trading system, especially WTO, as equal beneficiaries and participants. At the current critical stage in the negotiations, his country would participate constructively with a view to achieving a comprehensive and balanced outcome.

48. While enhanced access to world markets was important, developing countries also needed to improve their productivity and infrastructure and establish market channels for their products. At the same time, developed countries would need to avoid a one-size-fits-all approach to aid for trade and instead provide tailor-made assistance in order to address the specific needs of the recipient countries.

49. Japan would continue to provide aid for trade through its "Development Initiative for Trade", launched at the WTO Hong Kong Ministerial Conference in 2005, which sought to help developing countries to boost their exports by providing support at every step, from production to marketing. As part of that Initiative, Japan was promoting the export of local goods and extending loans for the construction of roads, ports and other infrastructure. In April 2007, Japan had also expanded its duty- and quota-free treatment to 98 per cent of products from the least developed countries.

50. Developing countries should create favourable environments for foreign direct investment by improving their relevant laws and regulations, by enhancing transparency and by strengthening their infrastructure. Japan was taking a multi-layered approach to support the efforts of developing countries to attract investment and private capital. Its economic partnership agreements included elements of free trade as well as rules on investment, intellectual property rights and competition policy. Such agreements also provided mechanisms for cooperation and for the solution of the daily problems encountered by investors. There could be no doubt that a strong multilateral trading system was crucial for development and also for the stability and prosperity of the entire world. His delegation therefore hoped that the Committee's deliberations would help to create the political will necessary for the conclusion of the Doha Round.

51. **Ms. Knight** (United States of America) said that opening the doors to trade across the globe was pivotal for reducing poverty and promoting opportunity and prosperity for all. Since trade and development were inextricably linked, a global environment that supported the free flow of trade would foster growth and benefit everyone. The United States was therefore pursuing the further liberalization of trade through the WTO negotiations. Countries that opened their doors to trade had been shown to enjoy meaningful gains in their economic growth and to significantly reduce levels of poverty. Such countries must share their best practices so that others might emulate them.

52. The time had come to increase participation in the international trading system and to resist using the Committee as a forum for repetitive hollow rhetoric. To that end, the United Nations should better mobilize its resources and work with other organizations, including WTO, the Bretton Woods institutions and regional development banks, to build trade capacity in those countries that had not harnessed globalization to the best of their ability. The United Nations had the means to effect real change but it must ensure a coordinated international modus operandi for such efforts.

53. An environment open to trade was also less likely to tolerate costly economic distortions and more likely to create jobs and foster innovation and entrepreneurship. The combination of open markets, good governance and a commitment to sound economic policy created unlimited opportunities. The Committee's discussions on international trade and development should focus on ways to bring all countries to the international market to sell their goods and provide their services. Long-winded discussions on the merit of trade liberalization were dated and unproductive. It was time to act.

54. Countries could gain increased access to the world economy without waiting for the completion of protracted negotiations by lowering tariffs, reducing non-tariff barriers to imports and using existing aid-for-trade assistance. When combined with United Nations technical assistance on the ground, such policies could foster growth and help to eradicate poverty. Protectionist measures, on the other hand, only introduced distortions and stifled efficiency, creating powerful disincentives to trade. Each country was ultimately responsible for its own development: those that promoted good governance, fought corruption and were open to trade could succeed in their development goals and achieve significant gains.

55. **Mr. González** (Cuba) said that the Doha Round must be completed soon. The serious asymmetries, inconsistencies and inequalities of the current trading system must be eliminated. WTO must follow transparent, flexible and expeditious procedures to facilitate the admission of developing countries, which must be provided with technical assistance. Only a handful of developing countries had experienced improvements in their market access and their share in trade. Progress towards development through trade could not be achieved through liberalization alone; the developing countries needed to receive special and differentiated treatment based on their level of development.

56. The huge subsidies granted by developed countries to their producers were distorting world trade and raised questions about the credibility of the current trade system. The implementation of coercive economic measures, unilateral sanctions and laws and regulations with extraterritorial effect against developing countries also threatened freedom of trade and investment. One example of such measures was the brutal blockade that had been imposed for over 47 years by the United States Government against Cuba, causing serious harm to the economy and the people of Cuba.

57. UNCTAD must be provided with the necessary financial support to enable it to fulfil its mandate.

58. **Ms. Blum** (Colombia) said that the delays in completing the Doha Round had led to a proliferation of bilateral and regional agreements, as countries tried to find other ways to open up their trade. Opportunities for multilateral trade should be promoted, subsidies and barriers should be reduced and eliminated, and clear rules should be developed so as to allow the free flow of trade in goods and services. Above all, the key objective of the system should be to promote development and reduce the current imbalances in the global economy.

59. In 2002, Colombia had embarked on a new phase in the internationalization of its economy. It had signed free trade agreements with its partners in the Andean Community and Mexico and was a party to the integration agreement between the Andean Community and MERCOSUR. Its agreements with Chile and the northern triangle of Central America (El Salvador, Honduras and Guatemala) would soon enter into force. It had signed a free trade agreement with the United States that was in the process of being approved. Her Government had begun negotiations with the countries of the European Free Trade Association, as well as with Canada and the European Union. By 2010, it hoped to have concluded free trade agreements with more than 50 countries. On the multilateral front, Colombia had participated actively in the Doha negotiations. The conclusion of the Doha Round should be a priority for both developed and developing countries. Her Government looked forward to UNCTAD XII, to be held in Accra in 2008.

60. **Mr. Yao** Wenlong (China) said that the Doha Round should be completed at an early date, giving high priority to development issues. His Government advocated the establishment of a development-oriented trading system and expansion of the role of UNCTAD. It was estimated that, by 2010, China's annual imports would exceed one trillion dollars. China's economic development would provide vast space for the development of other countries. The Chinese Government would continue to strengthen mutually beneficial economic and trade cooperation with all countries.

61. **Mr. Kyaw Moe Tun** (Myanmar) said that better market access should be given to agricultural products from developing countries, and export subsidies should be eliminated. Aid for Trade must be accompanied by the necessary enabling environment, including measures to assist developing countries in capacity-building, infrastructure and market development. High industrial tariffs imposed on labour-intensive manufactures and processed goods restricted the access of developing countries to global markets. An early agreement on tariff reduction must be achieved so as to provide equal market opportunity for manufactured goods from developing countries. His delegation welcomed the implementation of duty-free and quota-free market access for exports from least developed countries. Likewise, all developing countries should be accorded adequate policy space and special preferential treatment. Enhancement of technical assistance was essential to enable the developing countries to implement trade facilitation.

62. Development assistance to developing countries should not be politicized under any pretext. Unilateral economic measures as a means of political and economic coercion had a negative impact on the economy of the targeted countries and caused undue hardship and poverty for the people. Such measures violated freedom of trade and navigation and deprived the people of the legitimate right to development.

63. Myanmar's economy relied on exports of primary commodities; its exports had increased from US$ 851 million in 1991-1992 to US$ 3.5 billion in 2005-2006. In the same year, his country had had a trade surplus of US$ 1.5 billion. The increase in external trade had been mainly attributable to the Government's encouragement of the private sector, promotion of border trade and expansion of trade with the ASEAN +3 countries.

64. **Mr. Acharya** (India) said that the development dimension was essential to progress in the Doha Round of trade negotiations. Agriculture remained the core issue in those negotiations, and developed countries must demonstrate flexibility and move towards genuine reduction and elimination of subsidies for their commercial farmers. It was unfair to link negotiations on agriculture with those on non-agricultural market access. The principles of "less than full reciprocity" and "special and differential treatment" must be fully respected. It was also important to ensure liberalized, commercially meaningful and effective market access under mode 4.

65. Early action was needed on the development-related mandate concerning TRIPS. Flexibility must be allowed in the TRIPS agreement for public health concerns, and such flexibility should be extended to

climate-change technology transfer. Intellectual property rules should fully support the objectives of the Convention on Biological Diversity, particularly with regard to disclosure, prior informed consent and equitable benefit sharing. The Committee should consider setting up a special committee of experts in order to expedite action on those issues.

66. Efforts to promote trade must take into account the special needs of many developing countries, particularly small island developing States, landlocked developing countries and least developed countries. The Aid for Trade Initiative must be fully operationalized. Developed countries must implement their commitments to lower preferential rates to zero and enhance the utilization of Generalized System of Preference schemes by rationalizing rules of origin. By the end of 2007, least-developed-country imports into India would face a zero tariff regime. India also provided assistance to numerous other developing countries, particularly in Africa, through its technical assistance programme.

67. **Mr. Gerus** (Belarus) said that the lack of progress in the Doha Round stemmed mainly from the unwillingness of certain WTO members to consider development as one of the main issues in the talks. Instead, those members were merely seeking further tariff liberalization and greater access to the services market in developing countries.

68. The terms of international trade must be made favourable to developing countries, and participants must be given as little room as possible for political manoeuvring. Otherwise, a paradoxical situation arose in which countries stated in the General Assembly that they supported development and wished to end poverty, while their representatives at trade talks blocked the creation of real mechanisms that would benefit developing countries.

69. A similar paradox arose in the process of joining WTO. Countries that applied for membership were expected to fulfil strict and discriminatory economic reform obligations that were much more onerous than the ones set for current members at a similar stage of development. Political considerations were beginning to influence the WTO membership process; some members had even taken it upon themselves to block the entry of others. Unless steps were taken immediately to restore equitable conditions for membership, the global trading system would become paralysed.

70. Another problem was the imposition of unilateral coercive trading measures that violated the principles of the United Nations Charter. It was absurd when economic sanctions imposed in the name of workers' rights actually led to job losses.

71. UNCTAD could play a major role in solving those problems. He hoped that practical steps would be taken at UNCTAD XII in April 2008 to make that body more effective in assisting developing countries and countries with economies in transition.

72. **Ms. Lim** Ai Teng (Singapore) said that, as a major trans-shipment hub, Singapore understood the importance of a free trade regime. She called for moderation and flexibility in the ongoing Doha Round. Success could lift millions of people out of poverty, whereas failure could hurt the credibility of WTO and jeopardize the multilateral trading system. Developed countries should take bold steps to ensure market access to developing countries, while the latter must accept compromises.

73. In September 2007, Asia-Pacific Economic Cooperation (APEC) leaders had pledged their commitment to resuming the Doha talks. ASEAN too was promoting economic integration through the ASEAN Free Trade Area initiative and negotiations on free trade agreements with major partners such as Japan, Korea, India, Australia and China.

74. Despite the significant growth in the GDP of developing countries noted in paragraph 3 of the Secretary-General's report (A/62/266), more work must be done on poverty eradication. She therefore welcomed the Secretary-General's efforts in that regard, including the convening of the Millennium Development Goals Africa Steering Group.

75. **Mr. Jallow** (Gambia) said that, in recent years, an increasing number of developing countries had liberalized their trade regimes even as developed countries moved towards greater protectionism, which exacerbated the problems of poverty and development. Developing countries were playing an ever larger role in world trade, giving rise to a buoyant global South. Nonetheless, there was concern that small and vulnerable States, in particular, had not benefited significantly from trade liberalization and globalization. He therefore concurred with the

Secretary-General that the stakes were high for bringing the Doha Round to a successful conclusion.

76. While development was an integral part of the Doha Development Agenda, agriculture was lagging behind manufacturing in the establishment of multilateral regimes and the reduction of trade barriers. Since most of the world's poor made their living from agriculture, they were seriously jeopardized by distortions in agricultural production and trade caused by the export subsidies, domestic support and protectionism of many developed countries.

77. To benefit from international trade, developing countries required, firstly, greater and predictable market access; secondly, agricultural policy reform and equitable trading rules; and, thirdly, special treatment within an ambitious aid for trade partnership.

78. Developed countries should show flexibility and political will in order to end the impasse in WTO negotiations. The accession of all developing countries — and particularly of the least developed countries and those emerging from conflict — should be facilitated.

79. He urged the donor community to increase funding to UNCTAD, which would enable it to enhance assistance to developing countries and seek ways to foster greater coherence between the multilateral trading system and the international financial system.

80. Finally, his delegation condemned the practice of imposing laws and coercive economic measures, including unilateral trade sanctions, against developing countries.

81. **Mr. Heller** (Mexico) said that he concurred with the observations made by the Secretary-General in his report (A/62/266) that international trade played a major role in development; that full and predictable access to markets in developing countries was necessary if developing countries were to benefit from globalization; and that development must be central to the Doha Round of trade talks. The production capacity of developing countries must be increased in order to stimulate their internal and external economic activity. His Government was committed to the Doha Round and would continue participating actively.

82. The Second Committee should signal the urgency of concluding the Doha Round in a manner that was acceptable to all participants. It should therefore focus mainly on the political message that it wished to deliver, and on subjects that garnered general agreement — such as sustainable development and the importance of trade as an engine of economic growth — rather than on contentious matters that were under negotiation in other forums.

83. **Mr. Ali** (Syrian Arab Republic) said that it was unfair of the developed countries to demand concessions from the developing countries above and beyond what they themselves were able to offer. Agriculture was widely accepted as fundamental to developing-country economies, yet the efforts of those countries to eradicate hunger and poverty were undermined by the international trade distortions in agricultural products. A more realistic and flexible approach on the part of developed countries was therefore vital in the context of the Doha Round.

84. His country, which remained committed to multilateral trade, sought to balance its domestic and foreign trade policies by, inter alia, pursuing trade reform and liberalization, improving the competitiveness and quality of its products, promoting the export of goods and services, investing in human capital and developing its monetary and banking systems. Despite the successes achieved, however, consideration of the Syrian application for WTO membership, first submitted in 2001, had not yet even been placed on the WTO agenda for reasons which he attributed to the political motives of certain influential WTO member States. Emphasizing that the WTO membership process should be neither politicized nor used as a means of political coercion, he drew attention to the need for compliance with General Assembly resolution 61/186, which called for facilitating the accession of all developing countries that applied for WTO membership.

85. The Syrian Arab Republic was still subject to the unilateral trade sanctions imposed against it by the United States in 2004. In 2006, moreover, despite the suffering already caused by the Israeli occupation of Palestinian territories, the United States, together with Israel, the European Union and other countries, had imposed harsh unilateral economic measures against the Palestinian people, the impact of which was detailed in the report of the Secretary-General on the subject of such measures (A/62/210). Equally noteworthy was the new recommendation of the Israeli Minister of Defense to reduce electricity supplies to the Gaza Strip, which was home to 1.5 million

Palestinians. In a similar move, the United States Secretary of State had also now declared new unilateral economic sanctions against the Islamic Republic of Iran.

86. The continuing imposition of such measures in violation of the principles of international law and international trade rules had serious implications insofar as it would ultimately undermine confidence in the viability of the multilateral trading system and in the commitment of developed countries to an open, transparent, predictable, non-discriminatory and fair international trading system that promoted achievement of the Millennium Development Goals. In that context, he condemned the use or encouragement of unilateral measures of any kind as a means of coercing a State to subordinate the exercise of its sovereign rights to another State. He also called for compliance with General Assembly resolution 60/185 on that subject, the adoption of which had been opposed by the United States alone.

87. **Mr. Matenje** (Malawi) appealed to the developed countries to fulfil their promise to increase ODA, which had been declining over the years, so that developing countries such as his own could achieve the Millennium Development Goals by 2015.

88. To achieve sustainable growth, developing countries must be able to participate equitably in the global trading system. Access to agricultural commodity markets was especially vital for countries such as Malawi and his delegation was therefore deeply concerned about the impasse in the Doha Round, which must maintain its focus on agriculture and development. He called for the elimination of trade barriers and subsidies for agricultural products, which prevented developing countries from realizing their comparative advantage. Although trade was the most effective way to achieve economic growth and reduce poverty in the least developed countries, additional and predictable aid for trade was also essential to help those countries build planning and management capacity, enhance trade infrastructure and meet the high costs of adjusting to liberalized trade. UNCTAD had done valuable work to address the needs of countries whose economies relied on commodities trade. Those countries needed further assistance, however, in diversifying and restructuring their commodity sectors to make them more competitive.

89. **Mr. Issetov** (Kazakhstan) endorsed the Secretary-General's view that developed countries must fulfil their development commitments within the context of the Doha Round. They must, therefore, grant access to all markets, free of tariffs or quotas. His Government, for its part, had already done so.

90. The special and differential regime for certain groups of countries should be better defined and operationalized. Particular attention should be given to the challenges faced by countries with small and restricted economies, including landlocked developing countries, which were marginalized mainly because of the high cost of trade entailed by their lack of access to seaports and their distance from markets. Furthermore, many landlocked developing countries, including Kazakhstan, were still not members of WTO and were excluded from the mainstream of international trade. The special needs of those countries should be considered when establishing prerequisites for their membership.

91. The establishment of regional economic, trade and customs areas was crucial in helping developing countries to overcome the negative effects of globalization. The decision taken in Dushanbe in October 2007 to form a customs union comprising Belarus, Kazakhstan and the Russian Federation was therefore an important step towards integrating those countries within the global system of trade. It would enhance the competitiveness and the conditions for comprehensive development in those States.

92. The decisions and recommendations of major international forums on trade must be acted on if countries with small and landlocked economies were to receive the benefits that had been repeatedly evoked in New York, Monterrey, Johannesburg, Doha, Brussels, Barbados and Almaty. He hoped that the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held in Doha in 2008, would provide the impetus needed to implement the agreement reached in Monterrey.

*The meeting rose at 1 p.m.*